

# Senate Study Bill 1130 - Introduced

SENATE/HOUSE FILE \_\_\_\_\_  
BY (PROPOSED DEPARTMENT OF  
COMMERCE/INSURANCE DIVISION  
BILL)

## A BILL FOR

1 An Act relating to various matters under the purview of  
2 the insurance division of the department of commerce,  
3 providing fees, making an appropriation, and resolving  
4 inconsistencies.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

UNIFORM SECURITIES

Section 1. Section 502.304A, subsection 3, paragraph g, Code 2021, is amended to read as follows:

*g.* The issuer must pay to the administrator a fee ~~of one hundred dollars~~ established by the administrator by rule and is not required to pay the filing fee set forth in section 502.305, subsection 2.

Sec. 2. Section 502.304A, subsection 5, Code 2021, is amended to read as follows:

5. *Agent registration.* In connection with an offering registered under this section, a person may be registered as an agent of the issuer under section 502.402 by the filing of an application by the issuer with the administrator for the registration of the person as an agent of the issuer and the paying of a fee ~~of ten dollars~~ established by the administrator by rule. Notwithstanding any other provision of this chapter, the registration of the agent shall be effective until withdrawn by the issuer or until the securities registered pursuant to the registration statement have all been sold, whichever occurs first. The registration of an agent shall become effective when ordered by the administrator or on the fifth business day after the agent's application has been filed with the administrator, whichever occurs first, and the administrator shall not impose further conditions upon the registration of the agent. However, the administrator may deny, revoke, suspend, or withdraw the registration of the agent at any time as provided in section 502.412. An agent registered solely pursuant to this section is entitled to sell only securities registered under this section.

Sec. 3. Section 502.321G, Code 2021, is amended to read as follows:

**502.321G Fees.**

The administrator shall charge a nonrefundable filing fee ~~of two hundred fifty dollars~~ established by the administrator by

1 rule for a registration statement filed by an offeror. The fee  
2 shall be deposited as provided in [section 505.7](#).

3 Sec. 4. Section 502.410, Code 2021, is amended to read as  
4 follows:

5 **502.410 Filing fees.**

6 1. *Broker-dealers.* A person shall pay a fee ~~of two hundred~~  
7 ~~dollars established by the administrator by rule~~ when initially  
8 filing an application for registration as a broker-dealer  
9 and ~~a fee of two hundred dollars~~ when filing a renewal of  
10 registration as a broker-dealer. If the filing results in a  
11 denial or withdrawal, the administrator shall retain the fee.

12 2. *Agents.* The fee for an individual ~~is forty dollars~~  
13 ~~when filing an application for registration as an agent, a~~  
14 ~~fee of forty dollars when filing a renewal of registration~~  
15 ~~as an agent, and a fee of forty dollars when or~~ filing for a  
16 change of registration as an agent shall be established by the  
17 administrator by rule. Of each ~~forty-dollar~~ fee collected, ~~ten~~  
18 ~~dollars~~ twenty-five percent is appropriated to the securities  
19 investor education and financial literacy training fund  
20 established under [section 502.601, subsection 5](#). If the filing  
21 results in a denial or withdrawal, the administrator shall  
22 retain the fee.

23 3. *Investment advisers.* A person shall pay a fee ~~of one~~  
24 ~~hundred dollars~~ established by the administrator by rule when  
25 filing an application for registration as an investment adviser  
26 and ~~a fee of one hundred dollars~~ when filing a renewal of  
27 registration as an investment adviser. If the filing results  
28 in a denial or withdrawal, the administrator shall retain the  
29 fee.

30 4. *Investment adviser representatives.*

31 ~~a.~~ The fee for an individual ~~is thirty dollars~~ when filing  
32 an application for registration as an investment adviser  
33 representative, ~~a fee of thirty dollars~~ when filing a renewal  
34 of registration as an investment adviser representative, and ~~a~~  
35 ~~fee of thirty dollars~~ or when filing a change of registration

1 as an investment adviser representative shall be the amount  
2 established by the administrator by rule. If the filing  
3 results in a denial or withdrawal, the administrator shall  
4 retain the fee.

5 ~~b. However, an~~ An investment adviser representative is shall  
6 not be required to pay a filing fee if the investment adviser  
7 is a sole proprietorship or the substantial equivalent, and the  
8 investment adviser representative is the same individual as the  
9 investment adviser.

10 5. *Federal covered investment advisers.* A federal covered  
11 investment adviser required to file a notice under section  
12 502.405 shall pay an initial fee ~~of one hundred dollars~~ and  
13 an annual notice fee ~~of one hundred dollars~~ in an amount  
14 established by the administrator by rule.

15 6. *Payment.* A person required to pay a ~~filing or notice~~  
16 fee under this section may transmit the fee through or to a  
17 designee as a permitted by the administrator by rule or by  
18 ~~order provides~~ issued by the administrator under this chapter.

19 7. *Deposit of fees.* Except as otherwise provided in  
20 subsection 2, fees collected under this section shall be  
21 deposited as provided in section 505.7.

22 DIVISION II

23 INSURANCE

24 Sec. 5. Section 505.30, subsection 2, Code 2021, is amended  
25 to read as follows:

26 2. The commissioner may collect a reasonable fee,  
27 established by the commissioner by rule, each time service of  
28 process is made on the commissioner as set forth in subsection  
29 1 or as otherwise allowed by law. A fee collected by the  
30 commissioner under this subsection shall be used and is  
31 appropriated to the insurance division to offset the costs  
32 of the commissioner acting as agent or attorney for service  
33 of process. The party to a proceeding requesting service of  
34 process is entitled to recover the fee paid pursuant to this  
35 subsection and any rules adopted under this section as costs if

1 the party prevails in the proceeding.

2 Sec. 6. Section 507A.4, subsection 9, Code 2021, is amended  
3 by striking the subsection and inserting in lieu thereof the  
4 following:

5 9. Transactions involving a multiple employer welfare  
6 arrangement as defined in section 3 of the federal Employee  
7 Retirement Income Security Act of 1974, 29 U.S.C. §1002,  
8 paragraph 40, or a multiple employer welfare arrangement formed  
9 as an association health plan pursuant to 29 C.F.R. pt. 2510  
10 that complies with chapter 513D.

11 Sec. 7. Section 507B.7, Code 2021, is amended to read as  
12 follows:

13 **507B.7 ~~Cease and desist orders~~ Orders and penalties.**

14 1. If, after hearing, the commissioner determines that a  
15 person has engaged in an unfair method of competition or an  
16 unfair or deceptive act or practice, the commissioner shall  
17 reduce the findings to writing and shall issue and cause to  
18 be served upon the person charged with the violation a copy  
19 of such findings, an order requiring such person to cease  
20 and desist from engaging in such method of competition, act,  
21 or practice, and the commissioner may at the commissioner's  
22 discretion order any one or more of the following:

23 a. Payment of a civil penalty of not more than one thousand  
24 dollars for each act or violation of this subtitle, but not  
25 to exceed an aggregate of ten thousand dollars, unless the  
26 person knew or reasonably should have known the person was in  
27 violation of this subtitle, in which case the penalty shall be  
28 not more than five thousand dollars for each act or violation,  
29 but not to exceed an aggregate penalty of fifty thousand  
30 dollars in any one six-month period. If the commissioner finds  
31 that a violation of this subtitle was directed, encouraged,  
32 condoned, ignored, or ratified by the employer of the person or  
33 by an insurer, the commissioner shall also assess a penalty to  
34 the employer or insurer.

35 b. Suspension or revocation of the license of a person as

1 defined in [section 507B.2, subsection 1](#), if the person knew or  
2 reasonably should have known the person was in violation of  
3 this subtitle.

4     *c.* Payment of interest at the rate of ten percent per  
5 annum if the commissioner finds that the insurer failed to  
6 pay interest as required under [section 507B.4, subsection 3](#),  
7 paragraph “*p*”.

8     2. Until the expiration of the time allowed under section  
9 507B.8 for filing a petition for review if no such petition has  
10 been duly filed within such time, or, if a petition for review  
11 has been filed within such time, then until the transcript of  
12 the record in the proceeding has been filed in the district  
13 court, the commissioner may at any time, upon such notice and  
14 in such manner as the commissioner may deem proper, modify  
15 or set aside in whole or in part any order issued by the  
16 commissioner under [this section](#).

17     3. After the expiration of the time allowed for filing  
18 such a petition for review if no such petition has been duly  
19 filed within such time, the commissioner may at any time, after  
20 notice and opportunity for hearing, reopen and alter, modify,  
21 or set aside, in whole or in part, any order issued by the  
22 commissioner under [this section](#), whenever in the commissioner’s  
23 opinion conditions of fact or of law have so changed as  
24 to require such action, or if the public interest shall so  
25 require.

26     4. Any person who violates ~~a cease and desist~~ an order  
27 of the commissioner, and while such order is in effect, may,  
28 after notice and hearing and upon order of the commissioner,  
29 be subject at the discretion of the commissioner to any one or  
30 more of the following:

31     *a.* A monetary penalty of not more than ten thousand dollars  
32 for each and every act or violation. A penalty collected  
33 under this lettered paragraph shall be deposited as provided  
34 in [section 505.7](#).

35     *b.* Suspension or revocation of such person’s license.

1     Sec. 8. Section 507E.2, Code 2021, is amended to read as  
2 follows:

3     **507E.2 Purpose Insurance fraud bureau.**

4     1. An insurance fraud bureau is created within the insurance  
5 division. Upon a reasonable determination by the division, by  
6 its own inquiries or as a result of a complaint filed with the  
7 division, that a person has engaged in, is engaging in, or may  
8 be engaging in an act or practice that violates any provision  
9 of the Code subject to the jurisdiction of the commissioner,  
10 the division may administer oaths and affirmations, serve  
11 subpoenas ordering the attendance of witnesses, and collect  
12 evidence related to such act or practice.

13     2. An insurance fraud bureau investigator shall be no older  
14 than sixty-five years of age.

15     Sec. 9. Section 507E.2A, subsection 2, Code 2021, is amended  
16 to read as follows:

17     2. "Insurer" includes an insurer means any corporation,  
18 association, partnership, or individual engaged in the business  
19 of insurance, including but not limited to a corporation,  
20 association, partnership, or individual that issues a policy  
21 of workers' compensation, a self-insured business for purposes  
22 of workers' compensation liability, or a group or self-insured  
23 plan as described in section 87.4. "Insurer" does not include  
24 a person required to be licensed to sell, solicit, or negotiate  
25 insurance pursuant to chapter 522B.

26     Sec. 10. Section 507E.8, Code 2021, is amended to read as  
27 follows:

28     **507E.8 Law enforcement authority.**

29     1. An individual employed by the division and designated as  
30 a peace officer shall be considered a law enforcement officer  
31 as that term is defined in section 80B.3, and shall exercise  
32 the powers of a law enforcement officer as follows:

33     a. For purposes of an arrest resulting from a criminal  
34 violation of any provision of the Code subject to the  
35 jurisdiction of the commissioner established as a result of

1 an investigation pursuant to this chapter, ~~an insurance fraud~~  
2 ~~bureau investigator shall have the authority and status of a~~  
3 ~~law enforcement officer pursuant to section 80B.3, subsection~~  
4 ~~3.~~

5 b. While conducting an investigation or engaged in an  
6 assignment authorized by this chapter or ordered by the  
7 commissioner.

8 c. To protect life if a public offense is committed in the  
9 presence of the peace officer.

10 d. While providing assistance to a law enforcement agency or  
11 another law enforcement officer.

12 e. While providing assistance at the request of a member of  
13 the public.

14 2. ~~The laws~~ Laws applicable to an arrest of an individual  
15 by a law enforcement officer of the state shall apply to an  
16 ~~insurance fraud bureau investigator~~ individual employed by  
17 the division and designated as a peace officer. An insurance  
18 ~~fraud bureau investigator~~ individual employed by the division  
19 and designated as a peace officer shall have the power to  
20 execute arrest warrants and search warrants, serve subpoenas  
21 issued for the examination, investigation, and trial of all  
22 offenses identified through the course of an investigation  
23 conducted pursuant to this section, and arrest upon probable  
24 cause without warrant a person found in the act of committing  
25 a violation of a provision of this chapter or a law of this  
26 state.

27 Sec. 11. Section 508E.2, subsection 14, Code 2021, is  
28 amended to read as follows:

29 14. "*Viatical settlement broker*" means a person, including  
30 a life insurance producer ~~as provided for in section 508E.3,~~  
31 who, working exclusively on behalf of a viator and for a fee,  
32 commission, or other valuable consideration, offers or attempts  
33 to negotiate viatical settlement contracts between a viator  
34 and one or more viatical settlement providers or one or more  
35 viatical settlement brokers. Notwithstanding the manner in



1 which the viatical settlement broker is compensated, a viatical  
2 settlement broker is deemed to represent only the viator,  
3 and not the insurer or the viatical settlement provider, and  
4 owes a fiduciary duty to the viator to act according to the  
5 viator's instructions and in the best interest of the viator.  
6 "*Viatical settlement broker*" does not include an attorney,  
7 certified public accountant, or a financial planner accredited  
8 by a nationally recognized accreditation agency who is retained  
9 to represent the viator and whose compensation is not paid  
10 directly or indirectly by the viatical settlement provider or  
11 purchaser.

12 Sec. 12. Section 508E.3, subsections 2 and 3, Code 2021, are  
13 amended to read as follows:

14 2. An application for a viatical settlement provider  
15 or viatical settlement broker license shall be made to the  
16 commissioner by the applicant on a form prescribed by the  
17 commissioner, and the application shall be accompanied by a  
18 ~~fee of not more than one hundred dollars~~ as provided by rules  
19 adopted by the commissioner.

20 3. A viatical settlement provider or viatical settlement  
21 broker license term shall be three years and the license  
22 may be renewed upon payment of a renewal fee ~~of not more~~  
23 ~~than one hundred dollars~~ as provided by rules adopted by the  
24 commissioner. A failure to pay the fee by the renewal date  
25 shall result in expiration of the license.

26 Sec. 13. Section 509.1, subsection 9, Code 2021, is amended  
27 to read as follows:

28 9. A policy of group health insurance coverage issued to an  
29 ~~associated health plan~~ a multiple employer welfare arrangement  
30 pursuant to ~~section 513D.1~~ chapter 513D that is subject to  
31 regulation by the commissioner.

32 Sec. 14. Section 509.19, subsection 2, paragraph d, Code  
33 2021, is amended to read as follows:

34 d. A multiple employer welfare arrangement, as defined  
35 in section 3 of the federal Employee Retirement Income

1 Security Act of 1974, 29 U.S.C. §1002(40), paragraph 40,  
2 or a multiple employer welfare arrangement formed as an  
3 association health plan pursuant to 29 C.F.R. pt. 2510,  
4 that meets the requirements of ~~section 507A.4, subsection 9,~~  
5 ~~paragraph "a"~~ chapter 513D.

6 Sec. 15. Section 509A.15, subsection 1, paragraph a,  
7 unnumbered paragraph 1, Code 2021, is amended to read as  
8 follows:

9 Within ninety calendar days following the end of a fiscal  
10 year, the governing body of a self-insurance plan of a  
11 political subdivision or a school corporation shall file with  
12 the commissioner of insurance a certificate of compliance,  
13 actuarial opinion, and an annual financial report. The  
14 filing shall be accompanied by a fee ~~of one hundred dollars~~  
15 established by the commissioner by rule. A ~~penalty of fifteen~~  
16 ~~dollars per day~~ late fee established by the commissioner  
17 by rule shall be assessed for failure to comply with the  
18 ~~ninety-day~~ ninety-calendar-day filing requirement, except that  
19 the commissioner may waive the ~~penalty~~ late fee upon a showing  
20 that special circumstances exist which justify the waiver. The  
21 certificate shall be signed and dated by the appropriate public  
22 official representing the governing body, and shall certify the  
23 following:

24 Sec. 16. Section 510.21, Code 2021, is amended to read as  
25 follows:

26 ~~510.21 Certificate of registration required~~ Certificates —  
27 registration and renewal.

28 A person shall not act as or represent oneself to be a  
29 third-party administrator in this state, other than an adjuster  
30 licensed in this state for the kinds of business for which  
31 the person is acting as a third-party administrator, unless  
32 the person holds a current certificate of registration as  
33 a third-party administrator issued by the commissioner of  
34 insurance. A certificate of registration as a third-party  
35 administrator ~~is renewable~~ shall be renewed every three

1 years. Failure to hold a current certificate ~~subjects the~~  
2 of registration shall subject a third-party administrator to  
3 the sanctions set out in section 507B.7. ~~The~~ An application  
4 for a certificate of registration shall be accompanied by a  
5 filing fee as established by the commissioner by rule. A  
6 certificate of registration shall be issued by the commissioner  
7 to a third-party administrator unless the commissioner,  
8 ~~after due notice and hearing,~~ determines that the third-party  
9 administrator is not competent, trustworthy, financially  
10 responsible, ~~or~~ of good personal and business reputation, or  
11 has had a ~~previous~~ an application for an insurance license  
12 denied for cause within the preceding five years.

13 ~~An application for registration shall be accompanied by a~~  
14 ~~filing fee of one hundred dollars. After notice and hearing,~~  
15 ~~the commissioner may impose any or all of the sanctions set out~~  
16 ~~in section 507B.7, upon finding that either the third-party~~  
17 ~~administrator violated any of the requirements of sections~~  
18 ~~510.12 through 510.20 and this section, or the third-party~~  
19 ~~administrator is not competent, trustworthy, financially~~  
20 ~~responsible, or of good personal and business reputation.~~  
21 If the commissioner denies an application for registration  
22 or renewal, a written notice that specifies the reasons for  
23 the denial or nonrenewal shall be provided to the applicant.  
24 Pursuant to chapter 17A, upon the applicant's request, the  
25 commissioner shall grant the applicant a hearing on the denial  
26 or nonrenewal.

27 Sec. 17. Section 510.23, Code 2021, is amended by striking  
28 the section and inserting in lieu thereof the following:

29 **510.23 Violations and penalties.**

30 1. If, after hearing, the commissioner determines that  
31 a third-party administrator has violated this chapter, or  
32 chapter 507B, the commissioner may order any one or more of the  
33 sanctions or penalties set out in section 507B.7.

34 2. If, after hearing, the commissioner determines that a  
35 person has aided and abetted a third-party administrator in

1 commission of a violation of this chapter, or chapter 507B,  
2 the commissioner may order any one or more of the sanctions or  
3 penalties set out in section 507B.7.

4 3. If, after hearing, the commissioner determines that  
5 a third-party administrator is not competent, trustworthy,  
6 financially responsible, or of good personal and business  
7 reputation, the commissioner may order any one or more of the  
8 sanctions and penalties set out in section 507B.7.

9 Sec. 18. Section 511.24, Code 2021, is amended to read as  
10 follows:

11 **511.24 ~~Fees from domestic~~ Domestic and foreign companies —**  
12 **fees.**

13 When not otherwise provided, a foreign or domestic life  
14 insurance company doing business in this state shall pay ~~to the~~  
15 ~~commissioner of insurance the following fees~~ a fee, established  
16 by the commissioner by rule, for all of the following:

17 1. For filing an application to do business, or an  
18 application to renew a certificate of authority, ~~fifty dollars.~~

19 2. For issuing a certificate of authority to do business in  
20 this state, or for renewing a certificate, ~~fifty dollars.~~

21 3. For filing amended articles of incorporation, ~~fifty~~  
22 ~~dollars.~~

23 4. For issuing an amended certificate of authority,  
24 ~~twenty-five dollars.~~

25 5. For affixing the official seal to any paper filed with  
26 the division, ~~ten dollars.~~

27 Sec. 19. Section 512B.24, Code 2021, is amended to read as  
28 follows:

29 **512B.24 ~~Reports~~ Annual statement.**

30 ~~Reports shall be filed in accordance with this section.~~

31 1. A society transacting business in this state shall, on or  
32 before March 1 ~~annually~~, unless for cause shown the time has  
33 been extended by the commissioner, ~~shall~~ annually file with the  
34 commissioner a true statement of ~~its~~ the society's financial  
35 condition, transactions, and affairs for the preceding calendar

1 year and shall pay a fee ~~of fifty dollars~~ established by the  
2 commissioner by rule. The statement may be in general form and  
3 content as approved by the national association of insurance  
4 commissioners for fraternal benefit societies and shall be  
5 supplemented by additional information as adopted by rule of  
6 the commissioner.

7 2. As part of ~~the~~ a society's annual statement, ~~a~~ the  
8 society shall, on or before March 1, file with the commissioner  
9 ~~of insurance~~ a valuation of ~~its~~ the society's certificates  
10 in force on the ~~last~~ preceding December 31. However, the  
11 commissioner may, for cause shown, extend the time for filing  
12 the valuation for not more than two consecutive calendar  
13 months. The valuation shall be ~~done~~ completed in ~~accordance~~  
14 compliance with ~~the standards specified in~~ section 512B.23.  
15 The valuation and underlying data shall be certified by a  
16 qualified actuary or, at the expense of the society, verified  
17 by the actuary of the department of insurance of the state of  
18 domicile of the society.

19 3. A society failing to file the society's annual statement  
20 ~~in the form and within the time provided by~~ compliance with  
21 this section shall forfeit one hundred dollars for each day  
22 during which the default continues, and, upon notice by the  
23 commissioner ~~to that effect~~, the society's authority to do  
24 business in this state shall cease ~~while~~ during the duration of  
25 the default ~~continues~~.

26 Sec. 20. Section 512B.25, Code 2021, is amended to read as  
27 follows:

28 **512B.25 Annual license — renewal.**

29 ~~The authority of a society to transact business in this~~  
30 ~~state may be renewed annually. A society's license terminates~~  
31 to transact business in this state shall terminate on the  
32 first day of June following the issuance or the renewal of  
33 the society's license. A society shall submit annually on  
34 or before March 1 a completed application for renewal of its  
35 license. For each license or renewal the society shall pay

1 the commissioner a fee ~~of fifty dollars~~ established by the  
2 commissioner by rule. A society that fails to timely file an  
3 application for renewal shall pay ~~an administrative penalty~~  
4 ~~of five hundred dollars to the treasurer of state for deposit~~  
5 ~~as provided in section 505.7~~ a late fee as established by the  
6 commissioner by rule. A duly certified copy or duplicate  
7 of ~~the~~ a society's license is prima facie evidence that the  
8 licensee is a fraternal benefit society within the meaning of  
9 this chapter.

10 Sec. 21. Section 513D.1, Code 2021, is amended by striking  
11 the section and inserting in lieu thereof the following:

12 **513D.1 Multiple employer welfare arrangements and association**  
13 **health plans.**

14 1. As used in this chapter, unless the context otherwise  
15 requires:

16 *a. "Association health plan" or "AHP" means a multiple*  
17 *employer welfare arrangement formed as an association health*  
18 *plan pursuant to 29 C.F.R. pt. 2510.*

19 *b. "Commissioner" means the commissioner of insurance.*

20 *c. "Multiple employer welfare arrangement" or "MEWA" means a*  
21 *multiple employer welfare arrangement as defined in section 3*  
22 *of the federal Employee Retirement Income Security Act of 1974,*  
23 *29 U.S.C. §1002, paragraph 40.*

24 2. An AHP or MEWA that offers a plan to, or maintains a  
25 group health plan for, any resident of this state shall be  
26 subject to the jurisdiction of the commissioner and shall  
27 comply with all of the following requirements:

28 *a. The AHP or MEWA must be administered by an insurer*  
29 *authorized to do the business of insurance in this state or*  
30 *an authorized third-party administrator that holds a current*  
31 *certificate of registration pursuant to section 510.21.*

32 *b. The AHP or MEWA must be established by a trade,*  
33 *industry, or professional association of employers that has a*  
34 *constitution or bylaws, is organized and maintained in good*  
35 *faith, and has membership stability as defined by rules adopted*

1 by the commissioner.

2     *c.* The AHP or MEWA must register with the commissioner and  
3 obtain and maintain a certificate of registration issued by the  
4 commissioner.

5     *d.* The AHP or MEWA shall comply with all rules and solvency  
6 standards established by rules adopted by the commissioner.

7     3. An AHP or MEWA that does not meet the solvency standards  
8 pursuant to subsection 2, paragraph "*d*", shall be subject to  
9 chapter 507C.

10     4. An AHP or MEWA that meets all of the requirements of  
11 subsection 2 shall not be considered any of the following:

12     *a.* An insurance company or association of whatever kind or  
13 character under section 432.1.

14     *b.* A member of the Iowa individual health benefit  
15 reinsurance association pursuant to section 513C.10, subsection  
16 1.

17     *c.* A member insurer of the Iowa life and health insurance  
18 guaranty association pursuant to section 508C.5.

19     5. An AHP or MEWA that is registered with the commissioner  
20 pursuant to subsection 2, paragraph "*c*", shall annually file  
21 with the commissioner on or before March 1 a copy of the report  
22 required to be filed by the AHP or MEWA with the United States  
23 department of labor pursuant to 29 C.F.R. §2520.101-2.

24     6. An AHP or MEWA that is registered with the commissioner  
25 pursuant to subsection 2, paragraph "*c*", shall annually file  
26 with the commissioner a report on or before March 1 for the  
27 preceding calendar year. The annual report shall contain the  
28 information and be in a form and manner as prescribed by the  
29 commissioner.

30     7. A foreign or domestic AHP or MEWA doing business in the  
31 state shall pay fees as prescribed by the commissioner unless  
32 otherwise provided by law.

33     8. A MEWA that is recognized as tax-exempt under Internal  
34 Revenue Code section 501(c)(9) and that is registered with the  
35 commissioner prior to January 1, 2018, shall not be considered

1 an AHP unless the MEWA affirmatively elects to be treated as  
2 an AHP.

3 Sec. 22. Section 513D.2, subsection 1, Code 2021, is amended  
4 to read as follows:

5 1. The commissioner of insurance shall adopt rules, as  
6 necessary, pursuant to [chapter 17A](#) to administer [this chapter](#).

7 Sec. 23. Section 514G.103, subsection 10, Code 2021, is  
8 amended to read as follows:

9 10. "*Independent review entity organization*" means a review  
10 entity organization certified by the commissioner pursuant to  
11 section 514G.110, subsection 4.

12 Sec. 24. Section 514G.110, subsections 4, 5, 6, 7, 8, and 9,  
13 Code 2021, are amended to read as follows:

14 4. *Qualifications of independent review entities*  
15 *organizations*. The commissioner shall maintain a list of  
16 qualified independent review ~~entities~~ organizations that are  
17 certified by the commissioner. Independent review ~~entities~~  
18 organizations shall be recertified by the commissioner every  
19 two years in order to remain on the list. In order to be  
20 certified, an independent review ~~entity~~ organization shall meet  
21 all of the following criteria:

22 a. Have on staff, or contract with, a qualified, licensed  
23 health care professional in an appropriate field for  
24 determining an insured's functional or cognitive impairment who  
25 can conduct an independent review.

26 (1) In order to be qualified, a licensed health care  
27 professional who is a physician shall hold a current  
28 certification by a recognized American medical specialty  
29 board in a specialty appropriate for determining an insured's  
30 functional or cognitive impairment.

31 (2) In order to be qualified, a licensed health care  
32 professional who is not a physician shall hold a current  
33 certification in the specialty in which that person is  
34 licensed, by a recognized American specialty board in a  
35 specialty appropriate for determining an insured's functional



1 or cognitive impairment.

2     **b.** Ensure that any licensed health care professional who  
3 conducts an independent review has no history of disciplinary  
4 actions or sanctions, including but not limited to the loss  
5 of staff privileges or any participation restrictions taken  
6 or pending by any hospital or state or federal government  
7 regulatory agency.

8     **c.** Ensure that the independent review entity organization  
9 or any of its employees, agents, or licensed health care  
10 professionals utilized does not receive compensation of any  
11 type that is dependent on the outcome of a review.

12     **d.** Ensure that the independent review entity organization  
13 or any of its employees, agents, or licensed health care  
14 professionals utilized are not in any manner related to,  
15 employed by, or affiliated with the insured or with a person  
16 who previously provided medical care to the insured.

17     **e.** Ensure that an independent review entity organization  
18 or any of its employees, agents, or licensed health care  
19 professionals utilized is not a subsidiary of, or owned or  
20 controlled by, an insurer or by a trade association of insurers  
21 of which the insurer is a member.

22     **f.** Have a quality assurance program on file with the  
23 commissioner that ensures the timeliness and quality of reviews  
24 performed, the qualifications and independence of the licensed  
25 health care professionals who perform the reviews, and the  
26 confidentiality of the review process.

27     **g.** Have on staff or contract with a licensed health care  
28 practitioner, as defined in [section 514G.103, subsection 3](#), who  
29 is qualified to certify that an individual is chronically ill  
30 for purposes of a qualified long-term care insurance contract.

31     **5. Independent review process.** The independent review  
32 process shall be conducted as follows:

33     **a.** Within three business days of receiving a notice from the  
34 commissioner of the certification of a request for independent  
35 review or receipt of a denial of an insurer's appeal from such

1 a certification, the insurer shall do all of the following:

2 (1) Select an independent review ~~entity~~ organization from  
3 the list certified by the commissioner and notify the insured  
4 in writing of the name, address, and telephone number of the  
5 selected independent review ~~entity~~ organization. The  
6 selected independent review ~~entity~~ organization shall  
7 utilize a licensed health care professional with qualifications  
8 appropriate to the benefit trigger determination that is under  
9 review.

10 (2) Notify the independent review ~~entity~~ organization  
11 that it has been selected to conduct an independent review  
12 of a benefit trigger determination and provide sufficient  
13 descriptive information to enable the independent review ~~entity~~  
14 organization to provide licensed health care professionals who  
15 will be qualified to conduct the review.

16 (3) Provide the commissioner with a copy of the notices sent  
17 to the insured and to the selected independent review ~~entity~~  
18 selected organization.

19 b. Within three business days of receiving a notice from  
20 an insurer that it has been selected to conduct an independent  
21 review, the independent review ~~entity~~ organization shall do one  
22 of the following:

23 (1) Accept its selection as the independent review ~~entity~~  
24 organization, designate a qualified licensed health care  
25 professional to perform the independent review, and provide  
26 notice of that designation to the insured and the insurer,  
27 including a brief description of the health care professional's  
28 qualifications and the reasons that person is qualified to  
29 determine whether the insured's benefit trigger has been met.  
30 A copy of this notice shall be sent to the commissioner via  
31 facsimile. The independent review ~~entity~~ organization is not  
32 required to disclose the name of the health care professional  
33 selected.

34 (2) Decline its selection as the independent review ~~entity~~  
35 organization or, if the independent review ~~entity~~ organization

1 does not have a licensed health care professional who is  
2 qualified to conduct the independent review available, request  
3 additional time from the commissioner to have a qualified  
4 licensed health care professional certified, and provide  
5 notice to the insured, the insurer, and the commissioner.  
6 The commissioner shall notify the independent review entity  
7 organization, the insured, and the insurer of how to proceed  
8 within three business days of receipt of such notice from the  
9 independent review entity organization.

10 c. An insured may object to the independent review entity  
11 organization selected by the insurer or to the licensed  
12 health care professional designated by the independent review  
13 entity organization to conduct the review by filing a notice  
14 of objection along with reasons for the objection, with the  
15 commissioner within ten days of receipt of a notice sent by the  
16 independent review entity organization pursuant to paragraph  
17 "b". The commissioner shall consider the insured's objection  
18 and shall notify the insured, the insurer, and the independent  
19 review entity organization of the commissioner's decision to  
20 sustain or deny the objection within two business days of  
21 receipt of the objection.

22 d. Within five business days of receiving a notice from  
23 the independent review entity organization accepting its  
24 selection or within five business days of receiving a denial  
25 of an objection to the independent review entity organization  
26 selected, whichever is later, the insured may submit any  
27 information or documentation in support of the insured's claim  
28 to both the independent review entity organization and the  
29 insurer.

30 e. Within fifteen days of receiving a notice from the  
31 independent review entity organization accepting its selection  
32 or within three business days of receipt of a denial of  
33 an objection to the independent review entity organization  
34 selected, whichever is later, an insurer shall do all of the  
35 following:

1 (1) Provide the independent review entity organization  
2 with any information submitted to the insurer by the insured  
3 in support of the insured's internal appeal of the insurer's  
4 benefit trigger determination.

5 (2) Provide the independent review entity organization with  
6 any other relevant documents used by the insurer in making its  
7 benefit trigger determination.

8 (3) Provide the insured and the commissioner with  
9 confirmation that the information required under subparagraphs  
10 (1) and (2) has been provided to the independent review entity  
11 organization, including the date the information was provided.

12 *f.* The independent review entity organization shall not  
13 commence its review until fifteen days after the selection of  
14 the independent review entity organization is final including  
15 the resolution of any objection made pursuant to paragraph  
16 "c". During this time period, the insurer may consider any  
17 information provided by the insured pursuant to paragraph  
18 "d" and overturn or affirm the insurer's benefit trigger  
19 determination based on such information. If the insurer  
20 overturns its benefit trigger determination, the independent  
21 review process shall immediately cease.

22 *g.* In conducting a review, the independent review  
23 entity organization shall consider only the information  
24 and documentation provided to the independent review entity  
25 organization pursuant to paragraphs "d" and "e".

26 *h.* The independent review entity organization shall submit  
27 its decision as soon as possible, but not later than thirty  
28 days from the date the independent review entity organization  
29 receives the information required under paragraphs "d" and "e",  
30 whichever is received later. The decision shall include a  
31 description of the basis for the decision and the date of the  
32 benefit trigger determination to which the decision relates.  
33 The independent review entity organization, for good cause,  
34 may request an extension of time from the commissioner to file  
35 its decision. A copy of the decision shall be mailed to the

1 insured, the insurer, and the commissioner.

2     *i.* All medical records submitted for use by the independent  
3 review ~~entity~~ organization shall be maintained as confidential  
4 records as required by applicable state and federal laws. The  
5 commissioner shall keep all information obtained during the  
6 independent review process confidential pursuant to section  
7 505.8, subsection 8, except that the commissioner may share  
8 some information obtained as provided under section 505.8,  
9 subsection 8, and as required by *this chapter* and rules adopted  
10 pursuant to *this chapter*.

11     *j.* If an insured dies before completion of the independent  
12 review, the review shall continue to completion if there  
13 is potential liability of an insurer to the estate of the  
14 insured or to a provider for rendering qualified long-term care  
15 services to the insured.

16     6. *Costs.* All reasonable fees and costs of the independent  
17 review ~~entity-incurred~~ organization in conducting an  
18 independent review under *this section* shall be paid by the  
19 insurer.

20     7. *Immunity.* An independent review ~~entity~~ organization that  
21 conducts a review under *this section* is not liable for damages  
22 arising from determinations made during the review. Immunity  
23 does not apply to any act or omission made by an independent  
24 review ~~entity~~ organization in bad faith or that involves gross  
25 negligence.

26     8. *Effect of independent review decision.*

27     *a.* The review decision by the independent review ~~entity~~  
28 organization conducting the review is binding on the insurer.

29     *b.* The independent review process set forth in *this section*  
30 shall not be considered a contested case under *chapter 17A*.

31     *c.* An insured may appeal the review decision by the  
32 independent review ~~entity~~ organization conducting the review  
33 by filing a petition for judicial review in the district court  
34 in the county in which the insured resides. The petition for  
35 judicial review shall be filed within fifteen business days

1 after the issuance of the review decision by the independent  
2 review organization. The petition shall name the insured  
3 as the petitioner and the insurer as the respondent. The  
4 petitioner shall not name the independent review ~~entity~~  
5 organization as a party. The commissioner shall not be named  
6 as a respondent unless the insured alleges action or inaction  
7 by the commissioner under the standards articulated under  
8 section 17A.19, subsection 10. Allegations made against the  
9 commissioner under section 17A.19, subsection 10, must be  
10 stated with particularity. The commissioner may, upon motion,  
11 intervene in a judicial review proceeding brought pursuant to  
12 this paragraph. The findings of fact by the independent review  
13 ~~entity~~ organization conducting the review are conclusive and  
14 binding on appeal.

15 *d.* An insurer shall not be subject to any penalties,  
16 sanctions, or damages for complying in good faith with a review  
17 decision rendered by an independent review ~~entity~~ organization  
18 pursuant to this section.

19 *e.* Nothing contained in this section or in section 514G.109  
20 shall be construed to limit the right of an insurer to assert  
21 any rights an insurer may have under a long-term care insurance  
22 policy related to:

23 (1) An insured's misrepresentation.

24 (2) Changes in the insured's benefit eligibility.

25 (3) Terms, conditions, and exclusions contained in the  
26 policy, other than failure to meet the benefit trigger.

27 *f.* The requirements of this section and section 514G.109 are  
28 not applicable to a group long-term care insurance policy that  
29 is governed by the federal Employee Retirement Income Security  
30 Act of 1974, as codified at 29 U.S.C. ~~\$100~~ \$1001 et seq.

31 *g.* The provisions of this section and section 514G.109  
32 are in lieu of and supersede any other third-party review  
33 requirement contained in chapter 514J or in any other provision  
34 of law.

35 *h.* The insured may bring an action in the district court

1 in the county in which the insured resides to enforce the  
2 review decision of the independent review ~~entity~~ organization  
3 conducting the review or the decision of the court on appeal.

4 9. *Receipt of notice.* Notice required by this section shall  
5 be deemed received within five days after the date of mailing.

6 Sec. 25. Section 515.147, Code 2021, is amended to read as  
7 follows:

8 **515.147 Fees.**

9 Fees, established by the commissioner of insurance by rule,  
10 shall be paid to the commissioner of insurance for deposit as  
11 provided in section 505.7 as follows for all of the following:

12 1. For filing an application to do business, including all  
13 documents submitted in connection with the application, by a  
14 foreign or domestic company, or for filing an application for  
15 renewed authority, ~~fifty dollars.~~

16 2. For issuing to a foreign or domestic company a  
17 certificate of authority to do business or a renewed  
18 certificate of authority, ~~fifty dollars.~~

19 3. For filing amended articles of incorporation, ~~fifty~~  
20 ~~dollars.~~

21 4. For issuing an amended certificate of authority,  
22 ~~twenty-five dollars.~~

23 5. For affixing the official seal to any paper filed with  
24 the division, ~~ten dollars.~~

25 Sec. 26. Section 515A.2, subsection 1, Code 2021, is amended  
26 by adding the following new paragraph:

27 NEW PARAGRAPH. *0a.* "Commissioner" means the commissioner  
28 of insurance.

29 Sec. 27. Section 515A.6, subsection 1, paragraph c, Code  
30 2021, is amended to read as follows:

31 c. Licenses issued pursuant to this section shall remain  
32 in effect for three years unless sooner suspended or revoked  
33 by the commissioner. The ~~fee for the~~ license fee shall be ~~one~~  
34 ~~hundred dollars~~ established by the commissioner by rule.

35 Sec. 28. Section 515A.6, subsection 7, Code 2021, is amended

1 to read as follows:

2 7. Notwithstanding any ~~other provision of the Code~~ law to  
3 the contrary, the commissioner ~~of insurance~~ shall provide for  
4 a hearing in a proceeding involving a workers' compensation  
5 insurance rate filing by a licensed rating organization  
6 in accordance with the provisions of this subsection and  
7 rules promulgated by the commissioner ~~of insurance~~ pursuant  
8 to chapter 17A. Except as otherwise provided herein, the  
9 provisions of this subsection shall not be subject to the  
10 requirements of chapter 17A. The procedures for such hearing  
11 shall be as follows:

12 a. The commissioner shall provide notice of the filing of  
13 the proposed rates at least thirty days before the effective  
14 date of the proposed rates by publishing a notice on the  
15 internet site of the insurance division of the department of  
16 commerce.

17 b. A public hearing shall be held on the proposed rates by  
18 the commissioner ~~of insurance~~ if within fifteen days of the  
19 date of publication a workers' compensation policyholder or an  
20 established organization with one or more workers' compensation  
21 policyholders among its members files a written demand with the  
22 commissioner ~~of insurance~~ for a hearing on the proposed rates.

23 c. The commissioner ~~of insurance~~ shall hold the hearing  
24 within twenty days after receipt of the written demand for a  
25 hearing and shall give not less than ten days written notice of  
26 the time and place of the hearing to the person or association  
27 filing the demand, to the rating organization, and to any other  
28 person requesting such notice.

29 d. At any such hearing, the rating organization shall  
30 bear the burden of proof to support the proposed rates by a  
31 preponderance of the evidence. The person or association  
32 requesting the hearing, and any other person admitted as a  
33 party to the proceeding, shall be given the opportunity to  
34 respond and introduce evidence and arguments on all the issues  
35 involved.



1 e. Within fifteen days after the start of the hearing, the  
2 commissioner ~~of insurance will~~ shall approve or disapprove  
3 the proposed rates and specify the reasons therefor. The  
4 commissioner ~~of insurance~~ may suspend or postpone the effective  
5 date of the proposed rates pending the hearing and written  
6 decision thereon.

7 f. Judicial review of the decision of the commissioner ~~of~~  
8 ~~insurance~~ on such rates may be sought in accordance with the  
9 provisions of chapter 17A.

10 g. Absent a request for a hearing as provided in paragraph  
11 "b", the commissioner shall issue an order approving or  
12 disapproving the proposed rates.

13 h. The waiting period for a workers' compensation insurance  
14 rate filing shall commence no earlier than the date that notice  
15 of the insurance rate filing is published.

16 Sec. 29. Section 515A.10, Code 2021, is amended to read as  
17 follows:

18 **515A.10 Advisory organizations.**

19 1. Every group, association or other organization of  
20 insurers, whether located within or outside of this state,  
21 which assists insurers which make their own filings or rating  
22 organizations in rate making, by the collection and furnishing  
23 of loss or expense statistics, or by the submission of  
24 recommendations, but which does not make filings under this  
25 chapter, shall be known as an advisory organization.

26 2. An advisory organization shall not provide a service  
27 relating to this chapter, and an insurer shall not utilize  
28 the services of an advisory organization for such purposes  
29 unless the advisory organization has obtained a license under  
30 subsection 3.

31 ~~2.~~ 3. Every An advisory organization applying for a license  
32 shall file include with its application to the commissioner all  
33 of the following:

34 a. A copy of its constitution, its articles of agreement  
35 or association or its certificate of incorporation and of its

1 bylaws, rules and regulations governing its activities.

2 *b.* A list of its members.

3 *c.* The name and address of a resident of this state upon  
4 whom notices or orders of the commissioner or process issued at  
5 the commissioner's direction may be served.

6 *d.* An agreement that the commissioner may examine such  
7 advisory organization in accordance with the provisions of  
8 section 515A.12.

9 *e.* A fee established by the commissioner by rule.

10 ~~3.~~ 4. If, after a hearing, the commissioner finds that  
11 ~~the furnishing of such information or assistance involves an~~  
12 ~~advisory organization has engaged in any act or practice which~~  
13 ~~is unfair, or unreasonable, or otherwise inconsistent with the~~  
14 ~~provisions in violation of this chapter,~~ the commissioner may  
15 ~~issue a written an order specifying in what respects such act~~  
16 ~~or practice is unfair or unreasonable or otherwise inconsistent~~  
17 ~~with the provisions of this chapter,~~ and requiring the  
18 ~~discontinuance of such act or practice~~ advisory organization to  
19 cease and desist such act or practice. The commissioner may,  
20 at any time after hearing, revoke or suspend the license of an  
21 advisory organization which does not comply with this chapter.

22 ~~4.~~ 5. No insurer which makes its own filings nor any rating  
23 organization shall support its filings by statistics or adopt  
24 rate making recommendations, furnished to it by an advisory  
25 organization which has not complied with this section or with  
26 an order of the commissioner involving such statistics or  
27 recommendations issued under subsection 3 4 of this section.  
28 If the commissioner finds such insurer or rating organization  
29 to be in violation of this subsection the commissioner may  
30 issue an order requiring the discontinuance of such violation.

31 6. A license issued under this section shall remain in  
32 effect for three years unless sooner suspended or revoked by  
33 the commissioner.

34 Sec. 30. Section 515D.4, subsection 2, paragraph a, Code  
35 2021, is amended to read as follows:

1     a. The named insured or any operator who either resides  
2 in the same household or customarily operates an automobile  
3 insured under the policy has that person's driver's license  
4 suspended or revoked during ~~the policy term or, if the policy~~  
5 ~~is a renewal, during its term or the one hundred eighty days~~  
6 ~~immediately preceding its effective date.~~ any of the following:

7       (1) The term of the policy.

8       (2) The term of a renewal policy.

9       (3) Within one hundred eighty calendar days immediately  
10 preceding the effective date of a renewal of the policy.

11     Sec. 31. Section 515D.4, subsection 3, Code 2021, is amended  
12 to read as follows:

13     3. **This section** shall not apply to any policy or coverage  
14 which has been in effect less than sixty calendar days at the  
15 time notice of cancellation is mailed or delivered by the  
16 insurer unless it is a renewal policy. **This section** shall not  
17 apply to the nonrenewal of a policy.

18     Sec. 32. Section 515D.5, Code 2021, is amended to read as  
19 follows:

20     **515D.5 Delivery of notice.**

21     1. a. Notwithstanding the provisions of **section 515.129A**,  
22 a notice of cancellation of a policy shall not be effective  
23 unless mailed or delivered by the insurer to the named insured  
24 at least thirty calendar days prior to the effective date of  
25 cancellation, or, where the cancellation is for nonpayment of  
26 premium notwithstanding the provisions of **section 515.129A**,  
27 at least ten calendar days prior to the date of cancellation.  
28 A post office department certificate of mailing to the named  
29 insured at the address shown in the policy shall be proof  
30 of receipt of such mailing. Unless the reason accompanies  
31 the notice of cancellation, the notice shall state that upon  
32 written request of the named insured, mailed or delivered to  
33 the insurer not less than fifteen calendar days prior to the  
34 date of cancellation, the insurer will state the reason for  
35 cancellation together with notification of the right to a

1 hearing before the commissioner within fifteen calendar days as  
2 provided in [this chapter](#).

3     **b.** When the reason does not accompany the notice of  
4 cancellation, the insurer shall, upon receipt of a timely  
5 request by the named insured, state in writing the reason  
6 for cancellation. A statement of reason shall be mailed or  
7 delivered to the named insured within five calendar days after  
8 receipt of a request.

9     **2.** A notice of exclusion of a person under a policy pursuant  
10 to [section 515D.4](#), is not effective unless written notice  
11 is mailed or delivered to the named insured at least twenty  
12 calendar days prior to the effective date of the exclusion.  
13 The written notice shall state the reason for the exclusion,  
14 together with notification of the right to a hearing before  
15 the commissioner pursuant to [section 515D.10](#) within fifteen  
16 calendar days of receipt or delivery of a statement of reason  
17 as provided in [this section](#).

18     Sec. 33. Section 515D.6, Code 2021, is amended to read as  
19 follows:

20     **515D.6 Prohibited reasons for nonrenewal.**

21     **1.** No insurer shall refuse to renew a policy solely because  
22 of age, residence, sex, race, color, creed, or occupation of  
23 ~~an insured~~.

24     **2.** No insurer shall require a physical examination of a  
25 policyholder as a condition for renewal solely on the basis of  
26 age or other arbitrary reason. In the event that an insurer  
27 requires a physical examination of a policyholder, the burden  
28 of proof in establishing reasonable and sufficient grounds for  
29 such requirement shall rest with the insurer and the expenses  
30 incident to such examination shall be borne by the insurer.

31     Sec. 34. Section 515D.7, Code 2021, is amended to read as  
32 follows:

33     **515D.7 Notice of intent.**

34     **1.** Notwithstanding the provisions of [sections 515.125](#),  
35 [515.128](#), [515.129B](#), and [515.129C](#), an insurer shall not fail to

1 renew a policy except by notice to the insured as provided  
2 in [this chapter](#). A notice of intention not to renew shall  
3 not be effective unless mailed or delivered by the insurer  
4 to the named insured at least thirty calendar days prior to  
5 the expiration date of the policy. A post office department  
6 certificate of mailing to the named insured at the address  
7 shown in the policy shall be proof of receipt of such mailing.  
8 Unless the reason accompanies the notice of intent not to  
9 renew, the notice shall state that, upon written request of  
10 the named insured, mailed or delivered to the insurer not less  
11 than thirty calendar days prior to the expiration date of the  
12 policy, the insurer will state the reason for nonrenewal.

13 2. When the reason does not accompany the notice of intent  
14 not to renew, the insurer shall, upon receipt of a timely  
15 request by the named insured, state in writing the reason  
16 for nonrenewal, together with notification of the right to a  
17 hearing before the commissioner within fifteen calendar days  
18 as provided herein. A statement of reason shall be mailed or  
19 delivered to the named insured within ten days after receipt  
20 of a request.

21 3. [This section](#) shall not apply:

22 a. If the insurer has manifested its willingness to renew.

23 b. If the insured fails to pay any premium due or any  
24 advance premium required by the insurer for renewal.

25 c. If the insured is transferred from an insurer to  
26 an affiliate for future coverage as a result of a merger,  
27 acquisition, or company restructuring and if the transfer  
28 results in the same or broader coverage.

29 Sec. 35. Section 515D.10, Code 2021, is amended to read as  
30 follows:

31 **515D.10 Hearing before commissioner.**

32 Any named insured who has received a statement of reason  
33 for cancellation, or of reason for an insurer's intent not  
34 to renew a policy, may, within fifteen calendar days of the  
35 receipt or delivery of a statement of reason, request a hearing

1 before the commissioner of insurance. The purpose of this  
2 hearing shall be limited to establishing the existence of the  
3 proof or evidence ~~used~~ stated by the insurer ~~in~~ as its reason  
4 for cancellation or intent not to renew. The burden of proof  
5 of the reason for cancellation or intent not to renew shall  
6 be upon the insurer. Other than the sharing of information  
7 required by this chapter and the rules adopted pursuant to  
8 the provisions of this chapter, the commissioner shall keep  
9 confidential the information obtained from the insured or in  
10 the hearing process, pursuant to section 505.8, subsection 8.  
11 The commissioner of insurance shall adopt rules ~~for carrying~~  
12 ~~out~~ pursuant to chapter 17A to implement the provisions of this  
13 section.

14 Sec. 36. Section 515F.2, Code 2021, is amended by adding the  
15 following new unnumbered paragraph:

16 NEW UNNUMBERED PARAGRAPH. As used in this chapter, unless  
17 the context otherwise requires:

18 Sec. 37. Section 515F.2, Code 2021, is amended by adding the  
19 following new subsection:

20 NEW SUBSECTION. 2A. "*Commissioner*" means the commissioner  
21 of insurance.

22 Sec. 38. Section 515F.8, subsection 3, paragraph a, Code  
23 2021, is amended by adding the following new subparagraph:

24 NEW SUBPARAGRAPH. (7) A license fee as established by the  
25 commissioner by rule.

26 Sec. 39. Section 515F.8, subsection 3, paragraph d, Code  
27 2021, is amended to read as follows:

28 *d. Duration.* A license issued under this section shall  
29 remain in effect for ~~one year~~ three years unless the license  
30 is suspended or revoked. The commissioner may, at any time  
31 after hearing, revoke or suspend the license of an advisory  
32 organization which does not comply with ~~the requirements and~~  
33 ~~standards of~~ this chapter.

34 Sec. 40. Section 515F.32, Code 2021, is amended by adding  
35 the following new unnumbered paragraph:

1     NEW UNNUMBERED PARAGRAPH. As used in this subchapter,  
2 unless the context otherwise requires:

3     Sec. 41. Section 515F.32, subsection 3, Code 2021, is  
4 amended to read as follows:

5     3. "*Insurer*" includes all companies or associations licensed  
6 to transact insurance business in this state under chapters  
7 515, 518, and 518A, reciprocal insurers issued a certificate  
8 of authority pursuant to chapter 520, and companies or  
9 associations admitted or seeking to be admitted to do business  
10 in this state under any of those chapters, notwithstanding any  
11 provision of the Code to the contrary.

12     Sec. 42. Section 515F.36, subsection 2, paragraph a,  
13 subparagraphs (1) and (2), Code 2021, are amended to read as  
14 follows:

15     (1) American property casualty insurance association.

16     (2) ~~Property casualty insurers association of America~~  
17 National association of mutual insurance companies.

18     Sec. 43. NEW SECTION. 515F.39 **Cancellation or nonrenewal**  
19 **— FAIR notice.**

20     If basic property insurance coverage is canceled or not  
21 renewed other than for nonpayment of a premium pursuant to  
22 section 515.125, 515.126, 515.127, 515.128, 518.23, or 518A.29,  
23 the insurer shall notify the named insured that the named  
24 insured may be eligible for basic property insurance through  
25 the FAIR plan. The notice shall accompany the notice of  
26 cancellation or the intent not to renew.

27     Sec. 44. Section 515I.4, subsection 1, paragraph a, Code  
28 2021, is amended to read as follows:

29     a. Capital and surplus or its equivalent under the laws of  
30 the insurer's domiciliary jurisdiction which equals the ~~greater~~  
31 of either greatest of the following:

32     (1) The minimum capital and surplus requirements under the  
33 laws of this state.

34     (2) Fifteen million dollars.

35     (3) The risk-based capital level requirements pursuant to

1 chapter 521E.

2 Sec. 45. Section 520.12, subsection 2, Code 2021, is amended  
3 to read as follows:

4 2. A reciprocal or interinsurance insurer shall submit  
5 annually, on or before March 1, a completed application for  
6 renewal of the insurer's certificate of authority. An insurer  
7 that fails to timely file an application for renewal shall pay  
8 an administrative fee ~~of five hundred dollars to the treasurer~~  
9 ~~of state for deposit as provided in section 505.7 to the~~  
10 commissioner of insurance as established by the commissioner of  
11 insurance by rule.

12 Sec. 46. Section 521.18, Code 2021, is amended to read as  
13 follows:

14 **521.18 Articles of merger or consolidation — filing fees**  
15 **and approval.**

16 A company filing a plan to merge or consolidate under the  
17 provisions of this chapter shall file its articles of merger  
18 or consolidation with the commission for its approval. The  
19 fee for filing articles of merger or consolidation with  
20 the commission ~~is fifty dollars~~ shall be established by the  
21 commissioner by rule.

22 Sec. 47. Section 522.9, subsection 1, Code 2021, is amended  
23 to read as follows:

24 1. If an insurer fails, without just cause, to file an  
25 own risk and solvency assessment summary report by the filing  
26 date stipulated to the commissioner pursuant to section 522.5,  
27 subsection 1, paragraph "c", the commissioner shall, after  
28 notice and hearing, impose a penalty of five hundred dollars  
29 for each calendar day after the stipulated date that the  
30 summary report is not filed. The penalties shall be collected  
31 by the commissioner and deposited ~~in the general fund of the~~  
32 state pursuant to section 505.7. The maximum penalty which may  
33 be imposed under this section is fifty thousand dollars.

34 Sec. 48. Section 522A.5, Code 2021, is amended to read as  
35 follows:



1     **522A.5 Fees Counter employee — license fee.**

2     The fee for a counter employee license shall be ~~fifty dollars~~  
3 ~~per counter employee established by the commissioner by rule.~~  
4 ~~In no case shall any combined fees exceed one thousand dollars~~  
5 ~~in any calendar year for any one rental company or limited~~  
6 ~~license or licensee or renewal license.~~ The fees collected  
7 under this section shall be deposited as provided in section  
8 505.7.

9     Sec. 49. Section 522B.5, subsection 1, paragraph c, Code  
10 2021, is amended to read as follows:

11     c. The individual has paid the license fee ~~of fifty dollars~~  
12 established by the commissioner by rule.

13     Sec. 50. Section 522E.4, subsection 1, paragraph c, Code  
14 2021, is amended to read as follows:

15     c. An application fee ~~of the lesser of fifty dollars per~~  
16 ~~each endorsee at a location of the vendor or five hundred~~  
17 ~~dollars per location valid for a three-year period and, for~~  
18 ~~each three-year period thereafter, a renewal fee in the same~~  
19 ~~amount. A maximum fee of five thousand dollars shall apply~~  
20 ~~for licensure of a portable electronics vendor with multiple~~  
21 ~~locations~~ established by the commissioner by rule. The fees  
22 collected shall be deposited as provided in section 505.7.

23                                   DIVISION III

24                   CEMETERY AND FUNERAL MERCHANDISE AND FUNERAL SALES

25     Sec. 51. Section 523A.204, subsections 1 and 2, Code 2021,  
26 are amended to read as follows:

27     1. A preneed seller shall file an annual report with the  
28 commissioner not later than April 1 ~~of each year an annual~~  
29 ~~report~~ 15 on a form prescribed by the commissioner.

30     2. A preneed seller filing an annual report shall pay a  
31 filing fee ~~of ten dollars~~ established by the commissioner by  
32 rule per purchase agreement sold during the year covered by  
33 the report. Duplicate filing fees are not required for the  
34 same purchase agreement. If a purchase agreement has multiple  
35 sellers, the filing fee shall be paid by the preneed seller

1 actually providing the merchandise and services.

2 Sec. 52. Section 523A.204, Code 2021, is amended by adding  
3 the following new subsection:

4 NEW SUBSECTION. 4. The commissioner may impose a late  
5 fee, established by the commissioner by rule, for each day  
6 after April 15 that a preneed seller fails to file the preneed  
7 seller's annual report. The maximum late fee that may be  
8 imposed under this subsection is five hundred dollars. The fee  
9 shall be collected by the commissioner and deposited pursuant  
10 to section 505.7.

11 Sec. 53. Section 523A.501, subsections 7 and 8, Code 2021,  
12 are amended to read as follows:

13 7. A preneed seller's license ~~expires~~ shall expire annually  
14 on April ~~15~~ 30. If ~~the a~~ preneed seller has filed a ~~complete~~  
15 an annual report pursuant to section 523A.204, subsection 1,  
16 and paid the required fees ~~as required in section 523A.204,~~ the  
17 commissioner shall renew the preneed seller's license until  
18 April ~~15~~ 30 of the following year.

19 8. The commissioner may by rule create or accept a  
20 multijurisdiction preneed seller's license. If the preneed  
21 seller's license is issued by another jurisdiction, the rules  
22 shall require the filing of an application or notice form and  
23 payment of the applicable filing fee ~~of fifty dollars for an~~  
24 application established by the commissioner by rule. The  
25 application or notice form utilized and the effective dates and  
26 terms of the license may vary from the provisions set forth in  
27 this section.

28 Sec. 54. Section 523A.502, subsection 5, Code 2021, is  
29 amended to read as follows:

30 5. A sales license shall expire annually on April ~~15~~ 30. If  
31 ~~the a~~ sales agent has filed a ~~substantially complete~~ an annual  
32 report as required in pursuant to section 523A.502A, subsection  
33 1, and has fulfilled the continuing education requirements  
34 pursuant to subsection 6, the commissioner shall renew the  
35 sales agent's sales license until April ~~15~~ 30 of the following

1 year.

2 Sec. 55. Section 523A.502A, subsection 1, Code 2021, is  
3 amended to read as follows:

4 1. A No later than April 15, a sales agent shall file an  
5 annual report with the commissioner ~~not later than April 1~~  
6 ~~of each year an annual report~~ on a form prescribed by the  
7 commissioner describing each purchase agreement sold by the  
8 sales agent during the year. An annual report must be filed  
9 whether or not ~~sales were made~~ a sales agent sold any purchase  
10 agreements during the year and ~~even if the~~ whether or not a  
11 sales agent is ~~no longer still~~ is still an agent of a preneed seller or  
12 is still licensed by the commissioner.

13 Sec. 56. Section 523A.502A, Code 2021, is amended by adding  
14 the following new subsection:

15 NEW SUBSECTION. 3. The commissioner may impose a late fee,  
16 established by the commissioner by rule, for each day after  
17 April 15 that a sales agent fails to file the sales agent's  
18 annual report. The maximum late fee that may be imposed  
19 pursuant to this section is five hundred dollars. The fee  
20 shall be collected by the commissioner and deposited pursuant  
21 to section 505.7.

22 Sec. 57. Section 523A.601, subsection 4, Code 2021, is  
23 amended by striking the subsection and inserting in lieu  
24 thereof the following:

25 4. All purchase agreements, including a purchase agreement  
26 delivered or executed by electronic means, must have a sales  
27 agent identified. A purchase agreement, including a purchase  
28 agreement delivered or executed by electronic means, shall  
29 be reviewed by the sales agent identified and named in the  
30 purchase agreement pursuant to subsection 1, paragraph "a", and  
31 signed by the purchaser and seller. If the purchase agreement  
32 is for mortuary science services as "*mortuary science*" is  
33 defined in section 156.1, the purchase agreement must also be  
34 signed by a person licensed to deliver funeral services.

35 Sec. 58. Section 523A.807, subsection 3, unnumbered

1 paragraph 1, Code 2021, is amended to read as follows:

2 If the commissioner finds that a person has violated section  
3 523A.201, [523A.202](#), [523A.203](#), [523A.204](#), [523A.207](#), [523A.401](#),  
4 [523A.402](#), [523A.403](#), [523A.404](#), [523A.405](#), [523A.501](#), ~~or 523A.502~~,  
5 or 523A.502A, or any rule adopted pursuant thereto, the  
6 commissioner may order any or all of the following:

7 Sec. 59. Section 523A.812, Code 2021, is amended to read as  
8 follows:

9 **523A.812 Insurance division regulatory fund.**

10 The insurance division may authorize the creation of a  
11 special revenue fund in the state treasury, to be known as the  
12 insurance division regulatory fund. The commissioner shall  
13 allocate annually from the filing fees paid pursuant to section  
14 523A.204, ~~two dollars~~ an amount established by the commissioner  
15 by rule for each purchase agreement reported on a preneed  
16 seller's annual report filed pursuant to [section 523A.204](#) for  
17 deposit to the regulatory fund. The remainder of the fees  
18 collected pursuant to [section 523A.204](#) shall be deposited  
19 as provided in [section 505.7](#). The commissioner shall also  
20 allocate annually the examination fees paid pursuant to section  
21 523A.814 and any examination expense reimbursement for deposit  
22 to the regulatory fund. The moneys in the regulatory fund  
23 shall be retained in the fund. The moneys are appropriated  
24 and, subject to authorization by the commissioner, may be used  
25 to pay examiners, examination expenses, investigative expenses,  
26 the expenses of mediation ordered by the commissioner, consumer  
27 education expenses, the expenses of a toll-free telephone  
28 line to receive consumer complaints, and the expenses of  
29 receiverships established under [section 523A.811](#). If the  
30 commissioner determines that funding is not otherwise available  
31 to reimburse the expenses of a person who receives title  
32 to a cemetery subject to [chapter 523I](#), pursuant to such  
33 a receivership, the commissioner shall use moneys in the  
34 regulatory fund as necessary to preserve, protect, restore,  
35 and maintain the physical integrity of that cemetery and to

1 satisfy claims or demands for cemetery merchandise, funeral  
2 merchandise, and funeral services based on purchase agreements  
3 which the commissioner determines are just and outstanding.  
4 ~~An annual allocation to the regulatory fund shall not be~~  
5 ~~imposed if the current balance of the fund exceeds five hundred~~  
6 ~~thousand dollars.~~

7 Sec. 60. Section 523A.814, Code 2021, is amended to read as  
8 follows:

9 **523A.814 Examination fee.**

10 In addition to the filing fee paid pursuant to section  
11 523A.204, subsection 2, a seller filing an annual report  
12 shall pay an examination fee in the amount ~~of five dollars~~  
13 established by the commissioner by rule for each purchase  
14 agreement subject to a filing fee ~~that is sold between July 1,~~  
15 ~~2005, and December 31, 2007, and in the amount of ten dollars~~  
16 ~~for each purchase agreement subject to a filing fee that is~~  
17 ~~sold after December 31, 2007.~~

18 DIVISION IV

19 RESIDENTIAL AND MOTOR VEHICLE SERVICE CONTRACTS

20 Sec. 61. Section 523C.3, subsection 2, Code 2021, is amended  
21 to read as follows:

22 2. The application shall be accompanied by all of the  
23 following:

24 a. A license fee in the amount ~~of five hundred dollars~~  
25 established by the commissioner by rule.

26 b. If applicable, a fee in the amount ~~of fifty dollars~~  
27 established by the commissioner by rule for each motor vehicle  
28 service contract form submitted in an application as provided  
29 in subsection 1, paragraph "f".

30 Sec. 62. Section 523C.4, subsection 3, paragraphs a, b, and  
31 c, Code 2021, are amended to read as follows:

32 a. A license renewal fee in the amount ~~of five hundred~~  
33 ~~dollars~~ established by the commissioner by rule.

34 b. If applicable, a fee ~~in the amount of three percent~~  
35 percentage established by the commissioner by rule of the

1 aggregate amount of payments the licensee received for the sale  
2 or issuance of residential service contracts in this state  
3 during the preceding fiscal year, ~~provided that such fee shall~~  
4 ~~be no less than one hundred dollars and no greater than fifty~~  
5 ~~thousand dollars.~~

6 c. If applicable, a fee in the amount of ~~fifty dollars~~  
7 established by the commissioner by rule for each motor  
8 vehicle service contract form submitted ~~in a~~ with the renewal  
9 application pursuant to subsection 2, and as provided in  
10 section 523C.3, subsection 1, paragraph "f".

11 Sec. 63. Section 523C.24, subsection 2, Code 2021, is  
12 amended to read as follows:

13 2. The commissioner shall deposit in the service company  
14 oversight fund an amount equal to one-third of all licensing,  
15 examination, renewal, and inspection fees collected under this  
16 chapter, provided that the maximum amount of fees deposited  
17 in the fund each fiscal year shall not exceed ~~five hundred~~  
18 ~~thousand dollars~~ an amount established by the commissioner by  
19 rule. Any remaining fees collected under this chapter and  
20 not deposited in the service company oversight fund shall be  
21 deposited as provided in section 505.7.

22 DIVISION V

23 RETIREMENT FACILITIES

24 Sec. 64. Section 523D.2A, unnumbered paragraph 1, Code  
25 2021, is amended to read as follows:

26 On or before March 1 of each year, a provider shall  
27 file a certification with the commissioner ~~in a manner and~~  
28 ~~according to~~ in compliance with requirements established by the  
29 commissioner by rule. The certification shall be accompanied  
30 by a ~~one hundred dollar administrative fee which fee in an~~  
31 amount established by the commissioner by rule and shall be  
32 deposited as provided in section 505.7. The certification  
33 shall attest that according to the best knowledge and belief of  
34 the attesting party, the facility administered by the provider  
35 is in compliance with ~~the provisions of~~ this chapter, including

1 rules adopted by the commissioner ~~or~~ and orders issued by the  
2 commissioner as authorized under this chapter. The attesting  
3 person may be any of the following:

4 DIVISION VI

5 IOWA CEMETERY ACT

6 Sec. 65. Section 523I.102, subsection 6, Code 2021, is  
7 amended by adding the following new paragraph:

8 NEW PARAGRAPH. *d.* A cemetery under the jurisdiction and  
9 control of a cemetery commission pursuant to section 331.325,  
10 subsection 3, paragraph "c".

11 Sec. 66. Section 523I.213, Code 2021, is amended to read as  
12 follows:

13 **523I.213 Insurance division's enforcement fund.**

14 A special revenue fund in the state treasury, to be known as  
15 the insurance division's enforcement fund, is created under the  
16 authority of the commissioner. The commissioner shall ~~allocate~~  
17 ~~annually from the examination fees paid pursuant to section~~  
18 ~~523I.808, an amount not exceeding fifty thousand dollars, for~~  
19 ~~deposit to~~ all examination fees collected pursuant to section  
20 523I.808 in the insurance division's enforcement fund. The  
21 moneys in the enforcement fund shall be retained in the fund.  
22 The moneys are appropriated and, subject to authorization by  
23 the commissioner, shall be used to pay examiners, examination  
24 expenses, investigative expenses, the expenses of consumer  
25 education, compliance, and education programs for filers and  
26 other regulated persons, and educational or compliance program  
27 materials, the expenses of a toll-free telephone line for  
28 consumer complaints, and the expenses of receiverships of  
29 perpetual care cemeteries established under section 523I.212.

30 Sec. 67. Section 523I.301, subsections 1 and 2, Code 2021,  
31 are amended to read as follows:

32 1. A cemetery shall disclose, prior to the sale of interment  
33 rights, whether opening and closing ~~of the interment space is~~  
34 services are included in the purchase of the interment rights.  
35 If opening and closing services are not included in the sale of

1 interment rights and the cemetery offers opening and closing  
2 services, the cemetery must disclose that the price for ~~this~~  
3 service opening and closing services is subject to change  
4 and must disclose the current prices for opening and closing  
5 services provided by the cemetery.

6 2. The cemetery shall fully disclose all fees required for  
7 interment, entombment, ~~or~~ inurnment, or disinterment of human  
8 remains.

9 Sec. 68. Section 523I.309, subsection 6, Code 2021, is  
10 amended to read as follows:

11 6. A cemetery ~~may~~ shall disinter and relocate remains  
12 interred in the cemetery for the purpose of correcting an error  
13 made by the cemetery after obtaining a disinterment permit  
14 as required by section 144.34, unless the interested parties  
15 have a written agreement directing otherwise. The cemetery  
16 shall bear the costs of the disinterment and relocation. The  
17 cemetery shall provide written notice describing the error  
18 to the commissioner and to the person who has the right to  
19 control the interment, relocation, or disinterment of the  
20 remains erroneously interred, by restricted certified mail at  
21 the person's last known address and sixty days prior to the  
22 disinterment. The notice shall include the location where the  
23 disinterment will occur and the location of the new interment  
24 space. ~~A cemetery is not civilly or criminally liable for an~~  
25 ~~erroneously made interment that is corrected in compliance~~  
26 ~~with this subsection unless the error was the result of gross~~  
27 ~~negligence or intentional misconduct.~~

28 Sec. 69. Section 523I.808, Code 2021, is amended to read as  
29 follows:

30 **523I.808 Examination Annual report — examination fee.**

31 An examination fee, established by the commissioner by rule,  
32 for each certificate of internment rights issued during the  
33 time period covered by the report shall be submitted with the a  
34 perpetual care cemetery's annual report ~~in an amount equal to~~  
35 ~~five dollars for each certificate of interment rights issued~~



1 ~~during the time period covered by the report filed pursuant to~~  
2 section 523I.813. The cemetery may charge the examination fee  
3 directly to the purchaser of the interment rights.

4 Sec. 70. Section 523I.813, subsection 3, Code 2021, is  
5 amended by striking the subsection and inserting in lieu  
6 thereof the following:

7 3. The commissioner may assess a late fee, established  
8 by the commissioner by rule, for each day after the date on  
9 which a perpetual care cemetery's annual report is due that the  
10 perpetual care cemetery fails to file the report. The late fee  
11 shall be collected by the commissioner and deposited pursuant  
12 to section 505.7.

13 DIVISION VII

14 STATE INNOVATION WAIVER

15 Sec. 71. NEW SECTION. 505.18A State innovation waivers.

16 1. The commissioner of insurance may develop by rule  
17 a state innovation waiver pursuant to section 1332 of the  
18 federal Patient Protection and Affordable Care Act, Pub. L. No.  
19 111-148.

20 2. The commissioner of insurance may submit an application  
21 on behalf of the state to the United States secretary of health  
22 and human services and the United States secretary of the  
23 treasury for the state innovation waiver developed pursuant to  
24 subsection 1.

25 3. If a state innovation waiver submitted pursuant to  
26 subsection 2 is approved by the United States secretary of  
27 health and human services and the United States secretary of  
28 the treasury, the commissioner of insurance may implement the  
29 state innovation waiver in a manner consistent with applicable  
30 state and federal law.

31 4. The commissioner of insurance may adopt emergency  
32 rules under section 17A.4, subsection 3, and section 17A.5,  
33 subsection 2, paragraph "b", to implement the provisions of  
34 this section and the rules shall be effective immediately upon  
35 filing unless a later date is specified in the rules. Any

1 rules adopted in accordance with this section shall also be  
2 published as a notice of intended action as provided in section  
3 17A.4.

4 EXPLANATION

5 The inclusion of this explanation does not constitute agreement with  
6 the explanation's substance by the members of the general assembly.

7 This bill relates to various matters under the purview of the  
8 insurance division of the department of commerce. The bill is  
9 organized into seven divisions.

10 DIVISION I — UNIFORM SECURITIES. Code section 502.304A  
11 (expedited registration by filing for small issuers) is amended  
12 to provide that an issuer, and a person registering as an  
13 agent of the issuer, must pay the administrator a registration  
14 fee established by the administrator, rather than the set  
15 fee amounts of \$100 (issuer) and \$10 (person registering as  
16 an agent) required by current law. Code section 502.321G  
17 (fees) is amended to change the nonrefundable fee for a  
18 registration statement filed by an offeror from \$250 to an  
19 amount established by the administrator.

20 Code section 502.410 (filing fees) is amended to change  
21 the broker-dealer filing fee for an application or renewal  
22 registration from \$200 to an amount established by the  
23 administrator. In addition, the filing fee for registration  
24 or renewal as an agent is amended from \$40 to an amount  
25 established by the administrator. Of the agent registration  
26 fees collected, 25 percent are appropriated to the securities  
27 investor education and financial literacy training fund.  
28 Current law provides that \$10 of every \$40 fee collected  
29 goes to the fund. The filing fee for an investment adviser  
30 application or renewal registration is amended from \$100 to  
31 an amount established by the administrator. The bill also  
32 amends the filing fees for an investment adviser representative  
33 application, renewal registration, and change of registration  
34 from \$30 to an amount established by the administrator. A  
35 federal covered investment adviser must pay an initial fee

1 and an annual notice fee in an amount established by the  
2 administrator, rather than the \$100 fee required under current  
3 law.

4     DIVISION II — INSURANCE. The bill amends Code section  
5 505.30 (service of process on the commissioner) to specify  
6 that the commissioner of insurance (commissioner) may set a  
7 reasonable fee for service made on the commissioner.

8     The bill amends Code section 507A.4 (transactions where law  
9 not applicable) and provides that Code chapter 507A does not  
10 apply to a multiple employer welfare arrangement (MEWA) or a  
11 MEWA formed as an association health plan (AHP) that meets the  
12 requirements of Code chapter 513D. The bill strikes current  
13 Code section 513D.1 (association health plans) and replaces it  
14 with new provisions which detail the requirements for MEWAs and  
15 AHPs that offer a plan to, or that maintain a group health plan  
16 for, any resident of Iowa. "AHP" and "MEWA" are defined in the  
17 bill.

18     The bill details the requirements of the annual filings with  
19 the commissioner required of registered AHPs and MEWAs. The  
20 bill provides that a MEWA that is recognized as tax-exempt  
21 under Internal Revenue Code section 501(c)(9), and that is  
22 registered with the commissioner prior to January 1, 2018,  
23 shall not be considered an AHP unless the MEWA affirmatively  
24 elects to be treated as an AHP. The bill makes conforming  
25 changes to Code section 513D.2 (rules and enforcement).

26     Code section 507B.7 (cease and desist orders) is amended  
27 to provide that a person who violates any order of the  
28 commissioner, rather than just a cease and desist order as is  
29 in current law, may, after notice and hearing be subject to a  
30 monetary penalty and suspension or revocation of the person's  
31 license.

32     Code section 507E.2 (purpose) is amended by the bill to  
33 require that an insurance fraud bureau investigator be no more  
34 than 65 years of age. Current law does not place an upper  
35 limit on the age for insurance fraud bureau investigators.

1 The bill broadens the definition of "insurer" in Code  
2 section 507E.2A (definitions) to include any corporation,  
3 association, partnership, or individual engaged in the business  
4 of insurance, including but not limited to a corporation,  
5 association, partnership, or individual that issues a policy  
6 of workers' compensation, a self-insured business for purposes  
7 of workers' compensation liability, or a group or self-insured  
8 plan. The bill specifically excludes a person required to be  
9 licensed to sell, solicit, or negotiate insurance pursuant to  
10 Code chapter 522B from the definition.

11 Code section 507E.8 (law enforcement authority) is amended  
12 by the bill to specify that an individual who is employed by  
13 the insurance division and is designated as a peace officer  
14 shall be considered a law enforcement officer and shall  
15 exercise the powers of a law enforcement officer as detailed  
16 in the bill.

17 The bill amends Code section 508E.3 (license requirements) to  
18 change the application and renewal fees for a viatical  
19 settlement provider and a viatical settlement broker from \$100  
20 to an amount established by the administrator.

21 Code section 509A.15 (certification of self-insurance plans  
22 — exemption) is amended to change the filing fee for the end  
23 of fiscal year filing of a governing body of a self-insurance  
24 plan of a political subdivision or a school corporation from  
25 \$100 to an amount established by the commissioner. The current  
26 \$15 per day penalty for late filings is changed to a late fee  
27 established by the commissioner.

28 The bill makes conforming changes to Code section 510.21  
29 (certificate of registration) and also requires that an  
30 application for registration as a third-party administrator be  
31 accompanied by a filing fee as established by the commissioner.  
32 Current law does not require submission of a filing fee.

33 The bill strikes and replaces Code section 510.23 (unfair  
34 competition or unfair and deceptive acts or practices  
35 prohibited) and makes third-party administrators that violate

1 Code chapter 507B or 510 subject to the sanctions and penalties  
2 set out in Code section 507B.7. Third-party administrators are  
3 subject to Code chapter 507B under current law.

4 Code section 511.24 (fees from domestic and foreign  
5 companies) is amended to change specific dollar amounts for  
6 certain filing fees for foreign or domestic life insurance  
7 companies to fee amounts determined by the commissioner.

8 The bill makes conforming changes to Code section 512B.24  
9 (reports) and requires that the annual filing by fraternal  
10 benefit societies be accompanied by a fee established by the  
11 commissioner, rather than \$50 as required by current law.

12 The bill makes conforming changes to Code section 512B.25  
13 (annual license — renewal) and requires that for each license  
14 or renewal application a fraternal benefit society submit a fee  
15 established by the commissioner, rather than \$50 as required by  
16 current law. The bill also changes the current administrative  
17 penalty of \$500 for a late renewal filing to a late fee as  
18 established by the commissioner.

19 The bill makes conforming changes to Code chapter 514G  
20 (long-term care insurance) and amends the Code chapter  
21 to change the terminology throughout the Code chapter  
22 from "independent review entity" to "independent review  
23 organization".

24 Code chapter 515.147 (fees) is amended to change filing  
25 fees for certain filings from specific dollar amounts to fees  
26 determined by the commissioner. The bill makes conforming  
27 changes to and amends Code section 515A.10 to provide more  
28 specific requirements related to licensing requirements, fees,  
29 and penalties for advisory organizations.

30 The bill amends Code section 515F.8 (licensing advisory  
31 organizations) to require licensing advisory organizations  
32 to submit a fee, determined by the commissioner, with their  
33 application for a license, and makes the license effective for  
34 three years, rather than the one year under current law.

35 Code section 515F.32 is amended to add reciprocal insurers

1 to the definition of "insurer". Code section 515F.36 is  
2 amended to change the makeup of the membership of the governing  
3 committee that administers the FAIR plan. The bill creates a  
4 new requirement that if basic property insurance coverage is  
5 canceled or not renewed other than for nonpayment of a premium  
6 pursuant to Code section 515.125, 515.126, 515.127, 515.128,  
7 518.23, or 518A.29, the insurer must notify the named insured  
8 that they may be eligible for basic property insurance through  
9 the FAIR plan, and the notice must accompany the notice of  
10 cancellation or the intent not to renew.

11 The bill amends Code section 515I.4 (requirements for  
12 eligible surplus lines insurers) to allow a nonadmitted  
13 insurer seeking to qualify as an eligible surplus line insurer  
14 the option of demonstrating that the nonadmitted insurer  
15 has capital and surplus under the laws of the nonadmitted  
16 insurer's domiciliary that equal the risk-based capital level  
17 requirements required by Iowa law. Current law requires the  
18 nonadmitted insurer to demonstrate that the nonadmitted insurer  
19 has capital and surplus under the laws of the nonadmitted  
20 insurer's domiciliary that equal the greater of the minimum  
21 capital and surplus required under the laws of this state, or  
22 \$15 million.

23 Code section 520.12 (certificate of authority — renewal —  
24 penalties) is amended to change the annual renewal fee for a  
25 reciprocal or interinsurance insurer from \$500 to be submitted  
26 to the treasurer of state, to an administrative fee as  
27 established by the commissioner to be paid to the commissioner.

28 The bill amends Code section 521.18 (articles of merger  
29 or consolidation) to change the fee for specific companies  
30 to file a plan to merge or consolidate from \$50 to an amount  
31 established by the commissioner.

32 Code section 522.9 (penalties) is amended to allow the  
33 commissioner to deposit penalties that have been collected due  
34 to insurers' failure to file a timely own risk and solvency  
35 assessment summary report pursuant to Code section 505.7.

1 Current law requires the commissioner to deposit the penalties  
2 into the general fund of the state.

3 Code section 522A.5 (counter employee — license fee) is  
4 amended to change the license fee for a counter employee from  
5 \$50 to an amount established by the commissioner, and removes  
6 the cap of \$1,000 per calendar year for all combined fees paid  
7 by any one rental company.

8 The bill amends Code section 522B.5 (application for  
9 license) to change the application fee for a resident insurance  
10 producer license from \$50 to an amount established by the  
11 commissioner.

12 Code section 522E.4 (application and fees) is amended to  
13 change the application fee for a portable electronics insurance  
14 license from a variable dollar amount to an amount established  
15 by the commissioner. The bill also removes the \$5,000 cap  
16 on the total application fees that can be charged for the  
17 licensure of a portable electronics vendor with multiple  
18 locations.

19 The bill makes conforming changes to Code sections 508E.2  
20 (definitions), 509.1(9) (form of policy), 509.19(2) (claims  
21 and premium disclosures), 515A.2 (definitions), 515A.6  
22 (rating organizations), 515A.10 (advisory organizations),  
23 515D.4 (notice of cancellation — reasons), 515D.5 (delivery  
24 of notice), 515D.6 (prohibited reasons), 515D.7 (notice of  
25 intent), 515D.10 (hearing before commissioner), and 515F.2  
26 (definitions).

27 DIVISION III — CEMETERY AND FUNERAL MERCHANDISE AND FUNERAL  
28 SALES. The bill amends Code section 523A.204 (preneed seller  
29 annual reporting requirements) to require preneed sellers to  
30 file an annual report by April 15 rather than the current date  
31 of April 1. The bill changes the filing fee for the report  
32 from \$10 to an amount established by the commissioner. The  
33 bill allows the commissioner to impose a late fee for each  
34 day the report is late, up to a maximum of \$500. The fee is  
35 to be collected by the commissioner and deposited pursuant to

1 Code section 505.7. Code section 523A.501 (preneed sellers —  
2 licenses) is amended to specify that preneed sellers' licenses  
3 expire annually on April 30, rather than the current expiration  
4 date of April 15. The bill changes the filing fee for a  
5 multijurisdictional preneed seller's license that is issued by  
6 another jurisdiction from \$50 to an amount established by the  
7 commissioner.

8 The bill amends Code section 523A.502 (sales agents —  
9 licenses) to specify that sales agents' licenses expire  
10 annually on April 30, rather than the current expiration date  
11 of April 15, and an agent must have fulfilled continuing  
12 education requirements to qualify for renewal. Code section  
13 523A.502A (sales agent annual reporting requirements) is  
14 amended to require sales agents to file an annual report by  
15 April 15, rather than the current date of April 1. The bill  
16 allows the commissioner to impose a late fee for each day that  
17 the annual report is late, up to a maximum of \$500. The fee is  
18 to be collected by the commissioner and deposited pursuant to  
19 Code section 505.7.

20 The bill strikes and replaces Code section 523A.601  
21 (disclosures) and requires that all purchase agreements,  
22 including those delivered or executed by electronic means,  
23 identify a sales agent. Purchase agreements must also be  
24 reviewed by the sales agent and signed by the purchaser and  
25 seller. If a purchase agreement is for mortuary science  
26 services, the purchase agreement must also be signed by a  
27 person licensed to deliver funeral services.

28 The bill amends Code section 523A.812 (insurance division  
29 regulatory fund) to allocate an amount established by the  
30 commissioner to the regulatory fund from the filing fees for  
31 each purchase agreement reported on a preneed seller's annual  
32 report. Current law requires the commissioner to allocate  
33 \$2 from each filing fee to the regulatory fund. The bill  
34 also removes the prohibition on an annual allocation to the  
35 regulatory fund if the current balance exceeds \$500,000.



1 Code section 523A.814 (examination fee) is amended to change  
2 the examination fee for a seller's annual report from \$5,  
3 or other set dollar amount, to an amount established by the  
4 commissioner.

5 The bill makes conforming changes to Code section 523A.807  
6 (prosecutions for violations of law).

7 DIVISION IV — RESIDENTIAL AND MOTOR VEHICLE SERVICE  
8 CONTRACTS. Code section 523C.3 (application for license)  
9 is amended to change the \$500 fee for an application for  
10 a service company license to a fee established by the  
11 commissioner. The current fee of \$50 for each motor vehicle  
12 service contract form submitted with an application is also  
13 changed to a fee as established by the commissioner. Code  
14 section 523C.4 (license expiration and renewal) is amended to  
15 change the license renewal fee of \$500 to a fee established  
16 by the commissioner. The bill amends the fee, based on the  
17 aggregate amount of payments a licensee received for the sale  
18 or issuance of residential service contracts in this state  
19 during the preceding fiscal year, from 3 percent per contract  
20 to a percentage established by the commissioner by rule, and  
21 also removes the minimum and maximum dollar amount of fees  
22 that a licensee is required to submit. In addition, the bill  
23 amends the fee for each motor vehicle service contract form  
24 submitted with an application from \$50 to a fee established by  
25 the commissioner.

26 Code section 523C.24 (service company oversight fund) is  
27 amended to allow the commissioner to establish the amount  
28 deposited in the service company oversight fund from all  
29 licensing, examination, renewal, and inspection fees collected  
30 under Code chapter 523C. The bill also removes the current  
31 \$500,000 maximum cap on fees that may be deposited in the fund  
32 each fiscal year.

33 DIVISION V — RETIREMENT FACILITIES. Code section 523D.2A  
34 is amended to change the administrative fee submitted by a  
35 provider with its certification filing from \$100 to an amount

1 established by the commissioner.

2     DIVISION VI — IOWA CEMETERY ACT. Code section 523I.102  
3 (definitions) is amended to exclude specific cemeteries, under  
4 the jurisdiction and control of a cemetery commission that  
5 has jurisdiction and control over pioneer cemeteries, from  
6 the definition of "cemetery" for purposes of Code chapter  
7 523I. Code section 523I.213 (insurance division's enforcement  
8 fund) is amended to remove the cap on the allocation to the  
9 insurance division's enforcement fund of examination fees paid  
10 by perpetual cemeteries with their annual report. The bill  
11 requires the commissioner to deposit all of the examination  
12 fees in the enforcement fund.

13     Code section 523I.301 (disclosure requirements — prices  
14 and fees) is amended to require cemeteries to disclose, prior  
15 to the sale of interment rights, whether opening and closing  
16 services are included in the purchase price. The bill also  
17 requires cemeteries to disclose all fees associated with  
18 disinterment services.

19     Code section 523I.309 (interment, relocation, or  
20 disinterment of remains) is amended to require cemeteries  
21 to disinter and relocate remains interred in a cemetery for  
22 the purpose of correcting an error made by the cemetery,  
23 unless the interested parties have a written agreement  
24 directing otherwise. The cemetery must bear all costs of  
25 the disinterment and relocation. Current law permits, but  
26 does not require, a cemetery to disinter and relocate such  
27 remains, and the cemetery is not required to bear the cost of  
28 disinterment and relocation. The bill also allows cemeteries  
29 to be held civilly and criminally liable for erroneously made  
30 interments. Current law exempts cemeteries from civil and  
31 criminal liability for erroneously made interments.

32     The bill amends Code section 523I.808 (examination fee) to  
33 require an examination fee, established by the commissioner,  
34 for each certificate of interment rights issued during the  
35 period covered by a perpetual care cemetery's annual report.

1 Under current law, the fee is \$5 per certificate.

2 The bill amends Code section 523I.813 (annual report by  
3 perpetual care cemeteries) to allow, rather than to require,  
4 the commissioner to impose a late penalty on a perpetual care  
5 cemetery that fails to timely file its annual report.

6 DIVISION VII — STATE INNOVATION WAIVER. The bill  
7 authorizes the commissioner to develop by rule a state  
8 innovation waiver (waiver) pursuant to section 1332 of the  
9 federal Patient Protection and Affordable Care Act, Pub. L. No.  
10 111-148, and to submit an application on behalf of the state  
11 to the United States secretary of health and human services  
12 and the United States secretary of the treasury (secretaries)  
13 for the waiver. If a waiver is approved by the secretaries,  
14 the commissioner is authorized to implement the waiver in a  
15 manner consistent with applicable state and federal law. The  
16 bill authorizes the commissioner to adopt emergency rules  
17 to implement the waiver and the rules are to be effective  
18 immediately upon filing unless a later date is specified in the  
19 rules. Any rules that are adopted must also be published as a  
20 notice of intended action.